FIRST SET OF DOCUMENT AND INFORMATION REQUESTS OF THE DEPARTMENT OF COMMUNICATIONS AND ENERGY TO BOSTON GAS COMPANY, COLONIAL GAS COMPANY AND ESSEX GAS COMPANY D/B/A KEYSPAN ENERGY DELIVERY NEW ENGLAND

D.T.E. 04-62

Respondent: Elizabeth Danehy Arangio

<u>Information Request DTE 2-1</u>

- Q. Refer to the Prefiled Testimony of Elizabeth Danehy Arangio, Page 3, lines 14-15. Itemize the "benefits that are achieved on behalf of customers as a result of its consolidation".
- A. As discussed in the testimony of Ms. Arangio at 18-19, the Company has achieved three primary types of savings through the consolidation of the resource portfolio, which are: (1) quantifiable demand charge savings associated with upstream transportation and storage contracts; (2) quantifiable commodity cost savings; and (3) savings resulting from operational efficiencies that are less susceptible to quantification. To illustrate the quantifiable demand charge and commodity savings achieved as a result of the mergers and consolidation of the KeySpan portfolio, the Company analyzed the level of gas costs that would have been incurred on each LDC system on a standalone basis given the actual growth experienced on each system since the mergers. These calculations are set forth in ExhibitKED/EDA-6.